

The Michigan Association of Timbermen

Supporting Testimony For House Bills 5453-5458 & 5462

I would like to thank you Mister Chairmen and your fellow Conservation, Forestry & Outdoor Recreation Committee members for allowing me to speak before you. The Michigan Association of Timbermen supports the MI-Forest Package.

These bills will help provide stability to our forest industry which has become increasingly unstable over the last few years. Although Michigan is blessed with the largest state owned forest in the country and we lead the nation in the amount of surplus timber, we continue to lose jobs and manufacturing facilities to other states and countries. This wealth of "Green Gold" is useless if it can not be made available to local markets. This past year alone Southwestern Michigan lost two large companies totaling roughly 500 mill workers and severely impacting roughly 1000 wood workers. These numbers do not take into consideration the countless secondary jobs affected by these closures.

Michigan's primary forest owner is Non-industrial Private Forest (NIPF) landowners who own approximately 56% of Michigan's nearly 20 million acres. The amount of forested acres in Michigan is the fifth largest in the United States. Again, the issue is not growing enough timber it is having enough timber available for management and ultimately harvest. Historically, the only incentive offered to the NIPF's was the Commercial Forest Act and the trade off was granting public foot access to all acres enrolled in this program. This was, and currently is, a successful program. However, the need to provide a program to private land owners who want to commercially manage their forest but not allow public access is greatly needed. House Bills 5457, 5458, and 5462 will reward landowner's who choose to manage their timberland in a sustainable fashion by reducing their property taxes.

Agricultural farmers receive this tax benefit for harvesting and managing their respective commodities (row crops); it is time for Tree Farmers to receive the same benefit for harvesting and managing their commodity (trees). Also the private forestland owners should not have to allow his or her property to be open to public access simply because they choose to manage it in a way that benefits our State economy. Those willing to allow public access can still take advantage of House Bills 5454 & 5455 which will benefit both Private and Forest Industry landowners. These private landowner bills will help increase the amount of timber heading to our manufacturing facilities and also help encourage establishment of new facilities throughout Michigan.

Encouraging new development and establishing forest based companies will be a difficult task, however, House Bill 5456 will help create attractive opportunities for interested

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companies to come into Michigan and provide jobs and consumer goods to our constituents. We are in need of new facilities and these "Ren Zones" along with other local incentives could be the catalyst.

I mentioned earlier that the availability of timber is a major issue in Michigan. Roughly 286,000 acres of state land are "Factor Limited" on an annual basis. Using a common production number of 13 cords per acre this equals roughly 3.7 million cords that are not available. The Michigan Department of Forest, Minerals and Fire Management personnel make the determination on what acres are "Factor Limited". The Michigan Association of Timbermen feels that the amount of acres that are currently designated as "Factor Limited" is excessive. We believe a better solution is to allow those acres that are not restricted by state or federal law to be made available for harvest. The advancement of the technology in our harvesting equipment has allowed our members to harvest timber on very sensitive sites without causing excessive ecological damage. Contract language can specifically outline or detail what is required for these "Factor Limited" sites to ensure minimal damage. Also we would recommend that a concurrent study be conducted to evaluate the amount of proposed "Factor Limited" acres that are actually harvested and to look at those acres that are not harvested to be used as a baseline for establishing more realistic "Factor Limits". House Bill 5453 would address this problem.

As previously stated the problem is not a lack of timber, the problem is having enough timber available for harvest. As a result of this inadequate availability, Michigan is experiencing extremes in stumpage prices, which in turn is making our forest industry less competitive with other states and countries. This has resulted in the loss of capitol investment in our current facilities and a loss of industry. This is simple economics, the greater supply of timber we can put on the market, the lower the raw material cost. These forestry bills will provide a vehicle in making more timber available. We have been too complacent over the years regarding forestry in Michigan, it is time our governmental leaders become proactive and posture Michigan to become a national leader in forestry. We ask that you do your part to create a strong forest industry and economic return through Michigan's renewable resource.

Submitted 8 December 2005 By:
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